

**FILED**

Date \_\_\_\_\_

Time \_\_\_\_\_

Clerk \_\_\_\_\_

Comm. Amdt. \_\_\_\_\_

**AMENDMENT NO.** \_\_\_\_\_

\_\_\_\_\_  
**Signature of Sponsor**

**AMEND Senate Bill No. 698\***

**House Bill No. 1128**

by deleting the language after the enacting clause in its entirety and by substituting instead the following language:

SECTION 1. Tennessee Code Annotated, Section 65-4-101(a)(2), is amended by adding the following language at the end thereof:

provided, however, that no municipality, county, department, board, or other entity of local government shall, either directly, indirectly, alone, or in conjunction with any other person or entity, acquire, construct, own, operate, maintain, manage, control, sell, resell, lease, mortgage, pledge or otherwise dispose of any telephone, telegraph, or telecommunications system, plant, equipment or services except through a business corporation organized under the laws of this state. Notwithstanding any other provision of this code or of any private act, such a corporation shall be subject to regulation by the Tennessee Regulatory Authority as a public utility and in the same manner and to the same extent as other telecommunications service providers, and also shall be subject to all applicable state and federal laws. Such a corporation and the services provided by such a corporation shall be subject to and shall not be exempt from the imposition, collection and remittance of all federal, state, and local taxes and fees applicable to other public utilities;

SECTION 2. Tennessee Code Annotated, Title 65, Chapter 4, is amended by adding the following section:

**\*38020243\***

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**House Bill No. 1128**

Section 65-4-\_\_\_\_. The authority shall, as appropriate, adopt rules or issue orders with respect to the provision of telecommunication services to the public by a municipality, county, department, board, or other entity of local government through a business corporation to prohibit cross-subsidization, preferences to competitive services or affiliated entities, predatory pricing, price squeezing, price discrimination, tying arrangements or other anti-competitive practices.

SECTION 3. No entity of local government which forms a business corporation to conduct any of the activities set forth in Section 1 of this act shall make or give an undue or unreasonable preference or advantage to such business corporation in contracting or licensing pole attachments, in authorizing the use of rights-of-way as permitted by state law, or in the imposition of fees, charges, or rentals as permitted by state law, but shall follow a policy of nondiscrimination.

SECTION 4. If any provision of this act, or of any statute or rule made applicable by this act, is in conflict with the provisions of any other statute or rule, the provisions of this act shall control.

SECTION 5. This act shall take effect upon becoming a law, the public welfare requiring it.

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